


**CITY OF JERSEY CITY**  
**OFFICE OF THE CITY CLERK**  
**INTERDEPARTMENTAL MEMORANDUM**

**DATE:** September 11, 2012

**TO:** Council President Peter M. Brennan and Members of the Municipal Council

**FROM:** Robert Byrne, City Clerk 

**SUBJECT:** Meeting of the Tax Abatement Committee on Tuesday, September 18, 2012 at 1:00 p.m.

=====

I have been directed to convene a meeting of the Tax Abatement Committee on Tuesday, September 18, 2012 at 1:00 p.m., in the Efrain Rosario Memorial Caucus Room, City Hall, 280 Grove Street, Jersey City.

The purpose of this meeting is to consider the following:

A Long-Term Tax abatement application for 148 First Street Urban Renewal, LLC. The applicant seeks a 10 year tax abatement at the rate of twelve percent (12%) for the first five years and thirteen percent (13%) for the next five years for the market rate units and eight percent (8%) for the affordable units of annual gross revenue. The proposed project is a twelve (12) story one hundred twenty (120) residential unit mixed income rental, building with two thousand, four hundred and fifty-eight (2,458) square feet of ground level retail space. The applicant has paid the application fee of \$9,500.

**Please mark your calendar accordingly and arrange to attend this meeting.**

**Thank You.**

**c: Jerramiah Healy, Mayor**  
**John Kelly, Business Administrator**  
**William Matsikoudis, Corporation Counsel**  
**Joanne Monahan, First Asst. Counsel Council**  
**Carl Czaplicki, Director HEDC**  
**Al Cameron, Asst. Director HEDC (to notify committee members)**  
**Jersey Journal**  
**Hudson Reporter**  
**file**

**APPLICATION FOR TAX EXEMPTION  
OF  
148 FIRST STREET URBAN RENEWAL, LLC**

In compliance with Executive Order #2010-001 of the Mayor of the City of Jersey City, the Applicant herewith submits the following information in support of its application for a Long Term Tax Exemption under and pursuant to N.J.S.A 40A:20-1, et. seq.

Applicant: 148 First Street Urban Renewal, LLC  
148 First Street  
Jersey City, New Jersey 07302  
201-795-2000

Project: 148 First Street  
A Mixed Use Rental Urban Renewal Housing Project  
Block 11502, Lots 5.02, 07 and 08  
Jersey City, New Jersey

148 First Street is referred to herein as the "Project."

Applicant's General Contractor: Shuster Management LLC  
148 First Street, 2<sup>nd</sup> Floor  
Jersey City, New Jersey 07302

Applicant's Architect: LWDMM Architects  
140 Bay Street Suite 4  
Jersey City, NJ 07302  
201-333-5017 x. 115

Applicant's Attorney: Connell Foley LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, NJ 07311  
201-521-1000  
Attn: Charles Harrington, Esq.

Loan Advisor/Consultant: None

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CITY OF JERSEY

## **APPLICATION**

### **1. Identification of Property:**

The land upon which the Project will be built on is Block 11502, Lots 5.02, 7 and 8 commonly known as 148 First Street, Jersey City, New Jersey (the "Property"). The Property is vacant land. A metes and bounds description, survey, and deeds for the Property are attached hereto as Exhibit A. The Property is approximately .287 acres.

### **2. General Statement of the Nature of the Project:**

The Project consists of a mixed-use rental project located at 148 First Street, Jersey City, New Jersey. The Project is located within the Powerhouse Arts District Redevelopment Plan Area. The Project will be a 12-story building with approximately one hundred and twenty (120) residential units and approximately two thousand four hundred fifty eight (2,458) square feet of ground level retail/gallery/restaurant space. Twelve (12) units of affordable housing will be created with the development of the Project. Six (6) units of moderate and/or workforce affordable housing will be constructed on site and either an affordable housing contribution will be made by the Applicant for the construction of the remaining six (6) units of affordable housing off site or the Applicant will provide the remaining six (6) units of affordable housing off site.

### **3. Abatement Requested:**

The Applicant seeks a long term tax exemption pursuant to N.J.S.A. 40A:20-1 et. seq. (the "Law") for the Project.

The Applicant requests that the financial agreement be based upon the twelve percent (12%) of annual gross revenue formula for the first five (5) years of the abatement and, thereafter, thirteen percent (13%) of annual gross revenue for the next five (and final) years of the tax abatement for the market rate units, eight percent (8%) of annual gross revenue for the ten (10) year term of the abatement for the affordable housing units, and on other terms set forth below and in the exhibits attached hereto (see proposed financial agreement, hereinafter referred to as "Financial Agreement," attached hereto as Exhibit "J").

Based upon the above formula it is estimated that the Project will render an annual service charge to the City of approximately \$313,091 in years 1 through 5 of the tax abatement and approximately \$338,774 in years 6 through 10 of the tax abatement, approximately \$15,655 in years 1 through 5 and \$16,939 in years 6 through 10 to Hudson County, and approximately \$6,262 in years 1 through 5 and \$6,775 in years 6 through 10 to the City as an administrative fee. An Annual Gross Revenue Computation for the Project is attached hereto as part of Exhibit B.

The Property is eligible for a long term tax exemption because it is located within the Powerhouse Arts District Redevelopment Plan area.

### **4. Term**

The Applicant requests that the term of the exemption be for the earlier of fifteen (15) years from the effective date of an Ordinance approving the within requested tax exemption or ten (10) years from the date of substantial completion of the Project.

#### **5. Improvements to be Constructed:**

The improvements to be constructed will consist of the following:

The site consists of approximately 12,502 square feet (or .287 ± acres) of land. The Project includes the construction of a twelve (12) story building containing up to one hundred twenty (120) residential rental units and ground floor retail/restaurant/gallery space totaling approximately two thousand four hundred fifty eight (2458) square feet. The building's retail/restaurant/gallery space will be leased to one or more tenants depending upon market conditions and demand.

The building's residential rental units will be distributed as follows: approximately thirty (30) studio apartments, which will average approximately four hundred fifty one (451) square feet; approximately seventy two (72) one bedroom apartments, which will average approximately seven hundred five (705) square feet; approximately eight (8) two bedroom apartments, which will average approximately one thousand five (1005) square feet; and approximately ten (10) two and a half bedroom apartments, which will average approximately one thousand one hundred forty (1140) square feet. Each residential unit will have living, dining, and kitchen areas.

The Applicant's affiliate, Shuster Development, LLC is the contract purchaser of Lot 5.02. *See* attached First Amendment to Contract of Sale, attached hereto as part of Exhibit A. The Applicant's affiliate, 154 1<sup>st</sup> Street, LLC owns Lots 7 and 8. The Property will be conveyed to the Applicant prior to construction of the Project. The Applicant will construct the Project.

#### **6. Estimate of Total Project Cost:**

The Total Project Cost, as set forth in Exhibit C, is estimated to be \$32,014,772, including the cost of land and soft costs. The Total Project Cost has been calculated in accordance with the provisions of N.J.S.A. 40A:20-3(h).

Exclusive of land costs, the total project cost is \$22,514,772, and the total actual construction cost is \$20,500,000. Construction costs have been estimated based upon information compiled by the Applicant.

The breakdown of the Total Project Cost and a Certification of the Estimated Construction Costs are attached hereto as Exhibit C.

#### **7. Financial Structure:**

Construction of the Project will be financed through private capital and traditional construction financing, as follows:

	<u>Est. Amount</u>	<u>Est. Interest Rate</u>	<u>Est. Term</u>
Private Capital Contribution:	\$8,630,000	N/A	N/A
Construction Loan:	\$23,400,000	4.25%	2 years

The construction loan will be repaid at completion with a permanent mortgage from a traditional lender.

#### **8. Construction Schedule:**

It is estimated that construction of the project will commence in November 2012 after receipt of all final governmental approvals for the Project and execution of a Financial Agreement. Construction is expected to be substantially complete within 24 months of commencement. This construction schedule is subject to *force majeure* and the time required to obtain necessary governmental approvals and permits.

#### **9. Zoning Information/Municipal Land Use Approvals:**

The Project is located within the Powerhouse Arts District Redevelopment Plan area, and complies with the zoning requirements therein and the Master Plan of the City of Jersey City. The Project received a preliminary and final site plan approval from the Planning Board of the City of Jersey City on June 19, 2012. *See* Resolution, attached hereto as Exhibit D.

#### **10. Real Estate Tax Assessments for the Property:**

The real estate tax assessment on the Property for the year 2012 is as follows:

Block 11502, Lot 08 = \$50,000  
Block 11502, Lot 07 = \$115,000  
Block 11502, Lot 5.02=\$425,000

**Total Assessment = \$590,000**

#### **11. Current Real Estate Taxes Levied:**

The 2012 real estate taxes for the Property are estimated to be as follows (based upon the 2012 tax rate of \$71.84/per thousand):

Block 11502, Lot 8 = \$3,592  
Block 11502, Lot 7 = \$8,262  
Block 11502, Lot 5.02= \$30,532

**Total Annual Real Estate Taxes = \$42,386**

#### **12. Status of Municipal Taxes and other Charges:**

The Applicant's affiliate, Shuster Development, LLC is the contract purchaser of Lot 5.02 and the Applicant's affiliate, 154 1<sup>st</sup> Street, LLC is the owner of Lots 7 and 8. To the best of Applicant's knowledge and belief, all real estate taxes and other assessments against the Property have been paid in full. Upon transfer of the Property to the Applicant, the Applicant will not own any other real property other than the Property that is described herein.

### **13. Ownership Disclosure Statement**

The Applicant's affiliate, Shuster Development, LLC is the contract purchaser of Lot 5.02. Lots 7 and 8 are owned by the Applicant's affiliate, 154 1<sup>st</sup> Street, LLC. The Property will be conveyed to the Applicant prior to construction of the Project.

The Applicant is an urban renewal limited liability company in the process of formation under the Long Term Tax Exemption Law. A copy of the Certificate of Formation is attached hereto as part of Exhibit E. A Disclosure Statement is attached hereto as Exhibit F.

### **14. Certification of Construction Commencement:**

A Certification from the Applicant that the construction of the Project will not commence prior to final approval and execution of the financial agreement between the City and the Applicant for the Project is attached hereto as Exhibit G.

### **15. Projected Job Creation:**

The Applicant estimates that construction of the Project will generate over ninety (90) jobs during the construction period. Following completion of construction, the Applicant estimates the creation of approximately three (3) full-time real estate, management and service positions, as well as approximately six (6) full-time retail positions.

The Applicant intends to enter into a Project Employment and Contracting Agreement with the City. In accordance with Ordinances 07-123 and 12-051, because the total construction cost is \$20,500,000, which does not meet the \$25,000,000 minimum threshold, a Project Labor Agreement is not required. *See* Project Employment and Contracting Agreement attached hereto as Exhibit K.

### **16. Compliance with State and Local Law:**

A Certification by the Applicant that the Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City is attached hereto as Exhibit H.

### **17. Certification of Truthfulness and Diligent Inquiry:**

A Certification of the Applicant that all information contained in this Application is true and correct to the best of its knowledge after having made diligent inquiry is attached hereto as Exhibit I.

### **18. Financial Agreement:**

A proposed Financial Agreement for the Project is attached hereto as Exhibit J.

#### **19. Affordable Housing Contribution:**

The Applicant is required to provide for twelve (12) units of affordable housing pursuant to the provisions of the Powerhouse Arts District Redevelopment Plan and the preliminary and final site plan approval. In satisfaction of this requirement, the Applicant will be constructing six (6) moderate and/or workforce affordable units on site. For the remaining six (6) affordable units, the Applicant will be making an affordable housing contribution in the amount of \$900,000 for the construction of those units off-site or the Applicant will provide the remaining units off-site.

In light of the substantial existing affordable housing obligation for the Project, the Applicant requests a technical waiver from Sections 304-28 & 29 of the Jersey City Code, which would otherwise require an additional affordable housing contribution based upon \$1,500 per market rate residential unit and \$1.50 per square foot of commercial space.

#### **20. Fee:**

The Application fee in the amount of \$9,500.00 is being paid to the City of Jersey City simultaneously with the submission of this Application.

#### **21. List of Exhibits.**

##### Exhibit

A.	Description of Property
B.	Description of Residential Leases, Estimated Fiscal Plan, and Annual Gross Revenue Computation
C.	Total Project Cost & Certification of Estimated Construction Costs
D.	Copy of Resolution Approving Site Plan & Site Plan
E.	Certificate of Formation
F.	Disclosure Statement
G.	Commencement Certification
H.	Compliance with State and Local Laws
I.	Certification of Diligent Inquiry
J.	Proposed Financial Agreement
K.	Proposed Project Employment & Contracting Agreement

# EXHIBIT A

## DESCRIPTION OF PROPERTY

**EXHIBIT A**

**148 FIRST STREET URBAN RENEWAL, LLC**

**Description of Property**

Address: 148 First Street  
Jersey City, New Jersey  
07306  
Block 11502, Lots 5.02, 07, and 08

See metes and bounds description, survey, first amendment to contract of sale and deeds for the Property attached hereto.

## MARTIN A. GRANT SURVEYING INC.

Professional Land Surveyors  
3 Jillian Court  
Monroe Township, NJ 08831  
Tel: (732) 387-2007 Fax: (732) 387-2009  
Email: MAGSURVEYING@gmail.com

First Street, Jersey City  
Hudson County, New Jersey

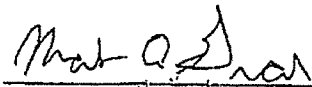
Proposed Lot 1 in Block 173

BEGINNING at a point on the northerly sideline of First Street, said point being distant 50.00 feet from the intersection of the said sideline of First Street with the westerly sideline of Provost Street and running; thence

1. South 81 degrees 45 minutes 00 seconds West a distance of 75.00 feet to a point; thence
2. North 08 degrees 15 minutes 00 seconds West a distance of 100.00 feet to a point; thence
3. North 81 degrees 45 minutes 00 seconds East a distance of 75.00 feet to a point; thence
4. South 08 degrees 15 minutes 00 seconds East a distance of 100.00 feet to the point and place of BEGINNING.

Containing 7,500 square feet  
0.172 +/- acres

MAG/jmg

  
Martin A. Grant, PLS



## SCHEDULE C LEGAL DESCRIPTION

File No.: ABT-101-12

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Jersey City, County of Hudson, State of New Jersey: And being further described in accordance with a survey dated \_\_\_\_\_ prepared by \_\_\_\_\_, Professional Land Surveyors, as follows:

BEGINNING at a point on the southerly line of First Street, distant 225.00 feet easterly from the northeasterly corner of Luis Munoz Marin Boulevard (f/k/a Henderson Street) and First Street; thence running

1. North 16 degrees 00 minutes East, 100.00 feet to a point; thence
2. South 73 degrees 55 minutes East, 50.00 feet to a point; thence
3. South 16 degrees 00 minutes West, 100.00 feet to a point; thence
4. North 73 degrees 55 minutes West, 50.00 feet to the point and place of BEGINNING.

FOR INFORMATIONAL PURPOSES ONLY:

BEING Lots 7 & 8, Block 11502 (f/k/a Lot 120 & 122 Block 173), Tax Map of the City of Jersey City, County of Hudson, New Jersey

BEING KNOWN AS: 154-156 First Street, Jersey City, New Jersey



## FIRST AMENDMENT TO CONTRACT OF SALE

**THIS FIRST AMENDMENT TO CONTRACT OF SALE** (this "**First Amendment**") is made as of August 10, 2012, by and between Pinemaple Properties, LLC ("**Seller**") and Shuster Development LLC (collectively "**Purchaser**").

**WHEREAS**, Seller and Purchaser entered into a contract of sale dated as of January 5, 2012 (the "**Contract**") for the purchase and sale of certain premises known as 148 1<sup>st</sup> Street, Jersey City, New Jersey [Block 11502, Lot 5 02] (the "**Premises**");

**WHEREAS**, Purchaser has requested and Seller has agreed to a further extension of the closing date upon the terms and conditions herein.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Seller and Purchaser covenant and agree as follows:

1. All terms not otherwise defined herein shall have the meaning ascribed to them in the Contract. Any conflict between the terms of this First Amendment and the Contract shall be resolved in favor of this First Amendment.
2. The Closing is adjourned to and shall take place at 10:00 a.m. Eastern Daylight Savings Time, on or about September 28, 2012 (as amended, the "Closing Date").
3. Escrowee is hereby authorized and directed to immediately release the entire Downpayment from escrow and pay same to Seller. Upon such payment Escrowee is released and relieved of all liabilities and obligations with respect to said escrow.
4. Seller agrees to repay the Downpayment to Purchaser in the event Purchaser shall become entitled to the return of the Downpayment under the Contract or otherwise in accordance with law. Notwithstanding the release of the Downpayment, Purchaser shall continue to have a vendee's lien upon the Premises for the Downpayment.
5. Except as expressly amended by this First Amendment, all provisions of the Contract, as amended by the First Amendment, shall remain in full force and effect and are hereby reaffirmed.
6. This amendment may be executed in multiple counterparts, each of which shall be deemed an original instrument and all of which, taken together, shall constitute one and the same instrument. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.
7. Electronically transmitted copies of this executed amendment shall be fully binding and effective for all purposes whether or not an originally executed counterpart is transmitted to

the other party Electronically transmitted signatures on this amendment shall be treated the same as original signatures.

**IN WITNESS WHEREOF**, Seller and Purchaser have executed this First Amendment as of the date first above written

**SELLER:**

Pinemaple Properties, LLC

By: 

**PURCHASER:**

Shuster Development LLC

By: 

# Deed

This Deed is made on May 3, 2012

BETWEEN

Jersey Living, L.L.C., a New Jersey Limited Liability Company

whose post office address is

51-55 Fairview Avenue

Bergenfield, NJ 07621

referred to as the Grantor,

AND

154 1st Street LLC, a New Jersey Limited Liability Company

whose post office address is

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of \$ 600,000.00, Six Hundred Thousand Dollars and No Cents

The Grantor acknowledges receipt of this money.

2. **Tax Map Reference** (N.J.S.A. 46.15-1.1) Municipality of Jersey City Block No. 11502, Lot No. 7.

3. **Property** The Property consists of the land and all the building and structures on the land in the City of Jersey City, County of Hudson and State of New Jersey. The legal description is:

Please see attached Legal Description annexed hereto and made part hereof.

BEING part of the same premises conveyed to the grantor herein under deed from Circle M. Realty Development III, Inc, by its President David Mackey, dated 7/31/2001 and recorded 8/9/2001 in the Hudson County Register's Office in DB 5850 p. 298.

Prepared by (Print signer's name below signature)

(For Recorders Use Only)

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The street address of the Property is:  
154-156 First St.  
Jersey City, NJ 07302

4. Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the Property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the Property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

5. Signatures. The Grantor signs this Deed as of the date at the top of the first page. (Print name below each signature.)

Witness by:

  
James McCaffery, Esq.

 (Seal)  
Anthony Chiodi, Manager, Jersey Living, L.L.C.

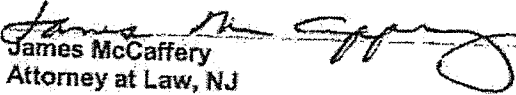
STATE OF NEW JERSEY, COUNTY OF HUDSON SS:

I CERTIFY that on May 3, 2012

Anthony Chiodi, Manager, Jersey Living, L.L.C. personally came before me and stated to my satisfaction that this person:

- (a) was the maker of this Deed; and,
- (b) executed this Deed as his own act; and
- (c) made this Deed for \$ \$ 600,000.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

RECORD AND RETURN TO  
Charles D. Golin, Esq.  
Law Office of Arthur J. Israel  
260 Madison Ave.  
NY, NY 10016

  
James McCaffery  
Attorney at Law, NJ

# Deed

This Deed is made on May 3, 2012

BETWEEN

Jersey Living, L.L.C., a New Jersey Limited Liability Company

whose post office address is

51-55 Fairview Avenue

Bergenfield, NJ 07621

referred to as the Grantor,

AND

154 1st Street LLC, a New Jersey Limited Liability Company

whose post office address is

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of \$ 600,000.00, Six Hundred Thousand Dollars and No Cents

The Grantor acknowledges receipt of this money.

2. **Tax Map Reference** (N.J.S.A. 46.15-1.1) Municipality of Jersey City Block No. 11502, Lot No. 8.

3. **Property** The Property consists of the land and all the building and structures on the land in the City of Jersey City, County of Hudson and State of New Jersey. The legal description is:

Please see attached Legal Description annexed hereto and made part hereof.

BEING part of the same premises conveyed to the grantor herein under deed from Circle M. Realty Development III, Inc, by its President David Mackey, dated 7/31/2001 and recorded 8/9/2001 in the Hudson County Register's Office in DB 5850 p. 298.

Prepared by (Print signer's name below signature)

(For Recorders Use Only)

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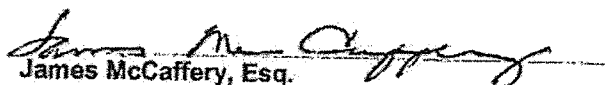
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www.aslegal.com 800.222.0510 Page 1

The street address of the Property is:  
154-156 First St.  
Jersey City, NJ 07302

4. Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the Property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affect the Property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

5. Signatures. The Grantor signs this Deed as of the date at the top of the first page. (Print name below each signature.)

Witness by:

  
James McCaffery, Esq.

 (Seal)  
Anthony Chiodi, Manager, Jersey Living, L.L.C.

STATE OF NEW JERSEY, COUNTY OF HUDSON SS:

I CERTIFY that on May 3, 2012

Anthony Chiodi, Manager, Jersey Living, L.L.C. personally came before me and stated to my satisfaction that this person:

- (a) was the maker of this Deed; and,
- (b) executed this Deed as his own act; and
- (c) made this Deed for \$ \$ 600,000.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

RECORD AND RETURN TO  
Charles D. Golin, Esq.  
Law Office of Arthur J. Israel  
260 Madison Ave.  
NY, NY 10016

  
James McCaffery  
Attorney at Law, NJ

## EXHIBIT B

### DESCRIPTION OF RESIDENTIAL LEASES, ESTIMATED FISCAL PLAN AND ANNUAL GROSS REVENUE COMPUTATION

## EXHIBIT B-1

### 148 FIRST STREET URBAN RENEWAL, LLC

#### DESCRIPTION OF RESIDENTIAL LEASES GOOD FAITH ESTIMATE OF INITIAL RENTS

---

1. Name of Tenant	Various		
2. Term of Lease	No less than 12 months each		
3. Number of Apartments	Studio	30	
	1 Bedroom	72	
	2 Bedroom	8	
	2.5 Bedroom	<u>10</u>	
	Total	120	
4. Rent per Apartment		<u>Annual</u>	<u>Monthly</u>
	Studio (market)	\$15,324	\$1,277
	Studio (affordable)	\$10,572	\$881
	1 Bedroom (market)	\$23,136	\$1,928
	1 Bedroom (affordable)	\$11,076	\$923
	2 Bedroom	\$29,375	\$2,448
	2.5 Bedroom	<u>\$36,480</u>	<u>\$3,040</u>
5. Total Rent		\$125,963	\$10,497
6. Premium paid directly by Tenant Annually			
a. Fire & other insurance	N/A		
b. Real Estate Taxes of Assessments on property in project	N/A		
c. Operating and maintenance expenses ordinarily paid by tenant	N/A		
7. Renewal Option (Yes / No)			
a. Number of Years	One		
b. Renewal Rent	Market increases		
8. Special Features (step-up rents, etc.)	None		

**EXHIBIT B-2****148 FIRST STREET URBAN RENEWAL, LLC****ESTIMATED FISCAL PLAN****Rental Income:**

<b>Apartments</b>	<b><u>Units</u></b>	<b><u>Annual</u></b>
Studio Units (market) x	26	\$ 398,424
Studio Units (affdble) x	4	\$ 42,288
One Bedroom Units (market) x	70	\$1,619,520
One Bedroom Units (affdble) x	2	\$ 22,152
Two Bedroom Units x	8	\$ 235,000
Two and Half Bedroom Units x	10	\$ 364,480
 Total Potential Market Res. Rental Income	 114	 \$2,617,424
Total Potential Affdble Res. Rental Income	6	\$ 64,440
Total Potential Res. Rental Income	120	\$2,681,864

Retail/Gallery/Restaurant Income	\$ 86,030
Other Income (Amenity Fees, etc.)	\$0
Parking Income	\$0
Total Gross Income	\$2,767,894
Vacancy (5%)	<u>\$( 138,395)</u>
 Effective Gross Income (Market)	 \$2,568,281
Effective Gross Income (Affdble)	<u>\$ 61,218</u>
Total Effective Gross Income	\$2,629,499

**Property, administrative and financial expenses:**

Payment in lieu of real estate taxes - market rate - 12%	\$308,194
Payment in lieu of real estate taxes - affordable unit - 8%	\$ 4,897
Management Fee (3%)	\$ 81,930.90
Leasing Expenses	\$ 50,000.00
Repairs and Maintenance	\$ 50,000.00
Insurance	\$ 68,400.00
Utilities	\$ 89,597.00
Labor - Payroll, Taxes & Benefits	\$110,000.00
Advertising/Marketing	\$ 12,000.00
Miscellaneous Operating Expenses	\$ 39,628.80
Reserves	\$ 57,000.00
Legal/Accounting/Admin/Licensing	\$ 20,000.00
Exterminator	\$ 10,000.00
Elevator Maintenance	\$ 20,000.00
Water/Sewer	<u>\$ 86,000.00</u>
Total Expenses	\$1,007,647.70

Net Operating Income (before Debt Service):	\$1,621,851.30
Debt Service	\$1,550,000.00
<b>NET OPERATING INCOME LESS DEBT SERVICE:</b>	<b>\$ 71,851.30</b>

**EXHIBIT B-3**  
**148 FIRST STREET URBAN RENEWAL, LLC**  
**ANNUAL GROSS REVENUE COMPUTATION**

(1) Total Annual Effective Gross Rental Income -

Market Rate (residential + retail/gallery/restaurant)	\$2,568,281
Affordable	\$ 61,218

(2) Real Estate Taxes and/or Assessment on Property\* \$ NONE

(3) Insurance Premiums\* \$ NONE

(4) Operating, Maintenance or Repair Expenses\* \$ NONE

\*NJSA 40A:20-3(a) provides that "the financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in gross revenue..."

**Total Annual Gross Rental**

	<u>Units</u>	<u>Annual</u>
Apartments		
Studio Units (market) x	26	\$ 398,424
Studio Units (affdble) x	4	\$ 42,288
One Bedroom Units (market) x	70	\$1,619,520
One Bedroom Units (affdble) x	2	\$ 22,152
Two Bedroom Units x	8	\$ 235,000
Two and Half Bedroom Units x	10	\$ 364,480
 Total Potential Market Res. Rental Income	 114	 \$2,617,424
Total Potential Affdble Res. Rental Income	6	<u>\$ 64,440</u>
Total Potential Res. Rental Income	120	\$2,681,864
 Retail/Gallery/Restaurant Income		 \$ 86,030
Other Income (Amenity Fees, etc.)		\$0
Parking Income		<u>\$0</u>
Total Gross Income		\$2,767,894
Vacancy (5%)		\$( 138,395)
 Total (Market)		 \$2,568,281
Total (Affdble)		<u>\$ 61,218</u>
Total (Market/Affdble)		\$2,629,499

(5) Annual Payment in Lieu of Taxes:

Market Rate:

(12%) Years 1-5	\$308,194
(13%) Years 6-10	\$333,877
Affordable:	
(8%) Years 1-10	\$ 4,897
Total ASC:	
Years 1-5	<b>\$313,091</b>
Years 6-10	<b>\$338,774</b>

## EXHIBIT C

### TOTAL PROJECT COST & CERTIFICATION OF ESTIMATED CONSTRUCTION COSTS

## EXHIBIT C

### 148 FIRST STREET URBAN RENEWAL, LLC

#### Total Project Cost

Estimated Total Project Cost Calculation per N.J.S.A. 40A:20-3(h):

Cost of Land	\$9,500,000
Architects/ Engineers/ Attorney Fees	\$400,000
Surveying& Testing	\$30,000
Construction Costs	\$20,500,000*
Insurance, Interest, Finance Costs	\$1,000,000
Cost of Obtaining Initial Permanent Financing	\$200,000
Commissions and Other Expenses Associated with Initial Leasing	0
Real Estate Taxes and Assessments during Construction Period	\$84,772
Developer's Overhead (per N.J.S.A. 40A:20-3 (h))	\$300,000
<b>Total</b>	<b>\$32,014,772*</b>

\*Total project cost exclusive of land cost is \$22,514,772 and total construction costs are \$20,500,000.

**EXHIBIT C-1**

**148 FIRST STREET URBAN RENEWAL, LLC**

**Certification of Estimated Construction Costs**

On this 4 day of SEPT. 2012, the undersigned being the architect for the Project to be developed by 148 First Street Urban Renewal, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Project proposed on Block 11502, Lots 5.02, 07, and 08, more commonly referred to as 148 First Street, Jersey City, New Jersey.

By: 

Name: Paxton J. Russell

AAA R.A.

Title: Architect

## EXHIBIT D

### COPY OF RESOLUTION APPROVING SITE PLAN & SITE PLAN

**EXHIBIT D**

**148 FIRST STREET URBAN RENEWAL, LLC**

**RESOLUTION APPROVING SITE PLAN AND SITE PLAN**

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY**

**APPLICANT:** 148 FIRST STREET, LLC  
**FOR:** PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL  
148 FIRST STREET, JERSEY CITY, NJ  
BLOCK 11502, LOTS 5.02, 7 AND 8  
**CASE NO.:** P12-029

**WHEREAS**, the Applicant, **148 FIRST STREET, LLC (the "Applicant")**, per **CONNELL FOLEY, LLC** (Charles J. Harrington, III, Esq., appearing) made application to the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for Preliminary and Final Major Site Plan Approval, to wit: Calendar No. P12-029, to develop the property with a twelve (12) story mixed used building with up to one hundred twenty (120) residential units with ground floor retail/restaurant/gallery space on the property located at 148 First Street, Jersey City, New Jersey, and identified on the Jersey City Tax Maps as Block 11502, Lots 5.02, 7 and 8; and

**WHEREAS**, due notice of a hearing on the above said application before the Planning Board of the City of Jersey City, on June 19, 2012 at 5:30 p.m., was duly published as prescribed in the Zoning Ordinance of the City of Jersey City; and

**WHEREAS**, the application was heard by the Planning Board on June 19, 2012; and


**WHEREAS**, the Applicant has submitted proof that it has complied with the applicable procedural requirements including the payment of fees and public notices; and

**WHEREAS**, all testimony having been formally heard for this application; and

**WHEREAS**, after consideration of the application and the testimony presented at the meeting, the Planning Board has made the following findings of fact:

### **FINDINGS OF FACT**

1. The Applicant, 148 First Street, LLC, filed an application for Preliminary and Final Major Site Plan approval with the Jersey City Planning Board for the property located at located at 148 First Street, Jersey City, New Jersey, and identified on the Jersey City Tax Maps as Block 11502, Lots 5.02, 7 and 8. The property is located within the Transition Area of the Powerhouse Arts District Redevelopment Plan ("Redevelopment Plan") area.
2. The purpose of the application is for site plan approval to develop the property with a twelve (12) story mixed use building with up to one hundred twenty (120) residential units with ground floor retail/restaurant/gallery space.
3. The property consists of vacant land, some of which is used for parking purposes.
4. The development conforms to all of the zoning requirements of the Redevelopment Plan, and therefore, is an "as of right" application.

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Board of the City of Jersey City, County of Hudson and State of New Jersey, for the foregoing reasons, approves the within application for Preliminary and Final Major Site Plan Approval, to wit: Calendar No. P12-<sup>029</sup>~~010~~, to develop a twelve (12) story mixed used building up to one hundred twenty (120) residential units with ground floor retail/restaurant/gallery space on the property located at 148 First Street, Jersey City, New Jersey, and identified on the Jersey City Tax Maps as Block 11502, Lots 5.02, 7 and 8, in accordance with the plans and testimony submitted to the Planning Board of the City of Jersey City. 

**APPLICANT:** 148 FIRST STREET, LLC

**FOR:** PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL  
148 FIRST STREET, JERSEY CITY, NJ  
BLOCK 11502, LOTS 5.02, 7 AND 8

**CASE NO.:** P12-029

**VOTE:** 7 - 0

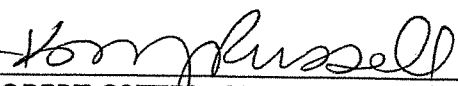
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COMMISSIONER:	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
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Michael A. Ryan, Chairman	X			
Roseanna Petruzzelli, Vice Chairwoman	X			
James P. McNeill, Commissioner	X			
Nidia Lopez, Commissioner	X			
Edwardo Torres, Commissioner	X			
Karen McIntyre, Commissioner	X			
Larry Eccelston, Commissioner	X			

  
MICHAEL RYAN, CHAIRMAN  
JERSEY CITY PLANNING BOARD

  
ROBERT COTTER, SECRETARY  
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:

  
JOHN HAMILL, ESQ.

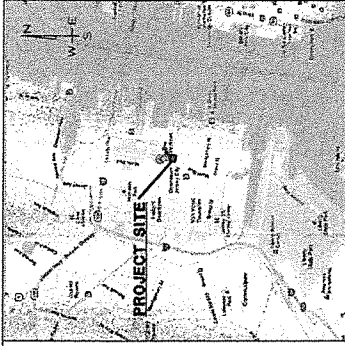
DATE OF HEARING:

June 19, 2012

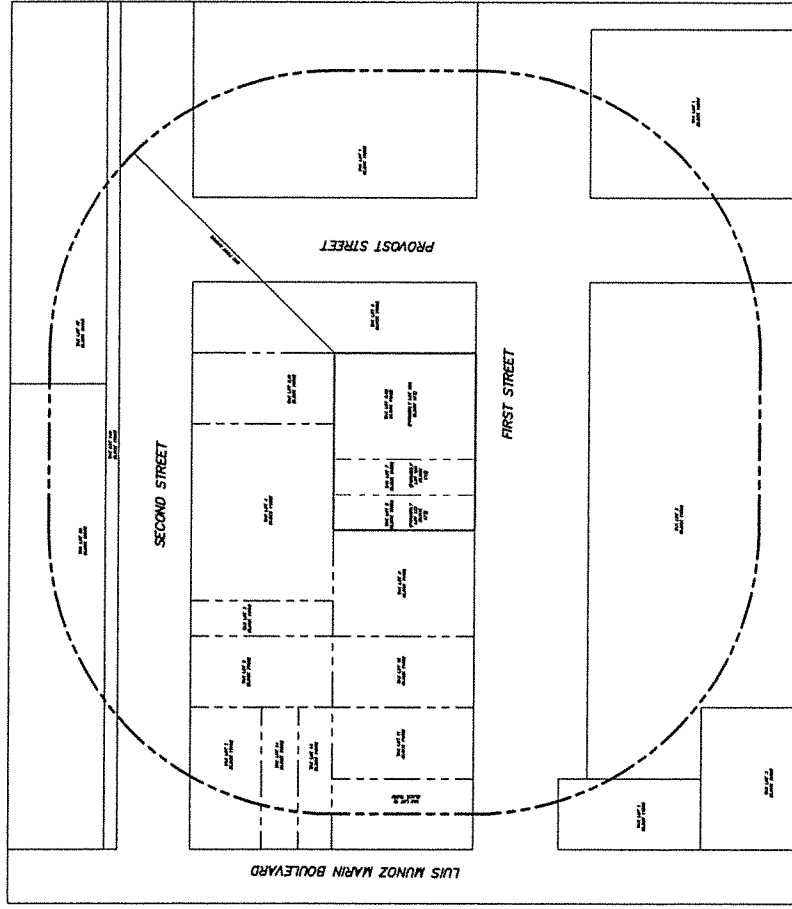
DATE OF MEMORIALIZATION:

July 10, 2012

PRELIMINARY SITE PLANS  
FOR  
148 FIRST STREET  
LOTS 5.02, 7 & 8, BLOCK 11502  
CITY OF JERSEY CITY  
HUDSON COUNTY, NEW JERSEY



KEY MAP  
SCALE: 1" = 40'



LOCATION MAP  
SCALE: 1" = 40'

DRAWING INDEX

DESCRIPTION	SHEET NO.
COVER SHEET	C100
DEVELOPMENT PLAN	C101
SITE PLAN	C102
GRADING AND UTILITY PLAN	C103
SOIL EROSION CONTROL PLAN	C104
UTILITY DETAILS	C105
CONSTRUCTION DETAILS	C106

REVISIONS/COMMENTS:  
1. 148 First Street, Jersey City, NJ  
2. 148 First Street, Jersey City, NJ

- NOTES:
1. THIS DRAWING SHALL NOT BE USED FOR CONSTRUCTION WITHOUT THE PROFESSIONAL ENGINEER'S PLANNED SEAL AND SIGNATURE AND THE WORDS "ISSUED FOR CONSTRUCTION".
  2. ANY DIFFERENCES BETWEEN FIELD CONDITIONS AND THOSE SHOWN ON THIS DRAWING SHALL BE THE RESPONSIBILITY OF THE ENGINEER OF RECORD.

**iwdmr**  
ARCHITECTS  
ARCHITECTURE • ENGINEERING • URBAN DESIGN

UNIVERSITY OF CALIFORNIA, BERKELEY  
& ASSOCIATES P.C.  
berkeley.com

140 Bay Street, Jersey City, NJ 07302  
201-333-5311 / 5303 fax  
224 N. High Street, Newark, NJ 06332  
609-255-9554 / 1071 fax

Consultant:

**CITYscape**  
CONSULTING ENGINEERS & ARCHITECTS  
CONSULTING ENGINEERS & ARCHITECTS, P.C.  
148 First Street, Jersey City, NJ 07302  
973-438-0000 / 973-438-1173  
www.cityscape-nj.com

*Mark Chivvis*  
Mark Chivvis  
New Jersey License No. 28164

FIRST STREET  
DEVELOPMENT PROJECT

148 First Street, Jersey City, NJ  
Block 11502, Lots 5.02, 7 & 8  
For:  
Shuster Development  
148 First Street, J.C. NJ

REVISIONS:	
Date	Notes
6/21/12	Rev. per Planning Dept.

COVER SHEET

DATE:  
4.23.2012  
DRAWN: J.V.  
CHECKED: M.C.  
C100  
1 of 7

140 Bay Street, Jersey City, NJ 07302  
201-333-5017 / 5309 fax

---

224 N. High Street, Millville, NJ 08332  
856-203-0554 / 1571 fax

**CITYscape**  
CREATING A FUTURE  
FOR ALL

myScape Engineering & Surveying, P.L.  
26 Columbia Turnpike  
Florham Park, NJ 07932  
973-478-2000 Fax 973-478-5373

*Mark Chisvotte*  
Mark Chisvotte  
Professional Engineer  
New Jersey L.E. No. 28164

FIRST STREET  
DEVELOPMENT PROJECT

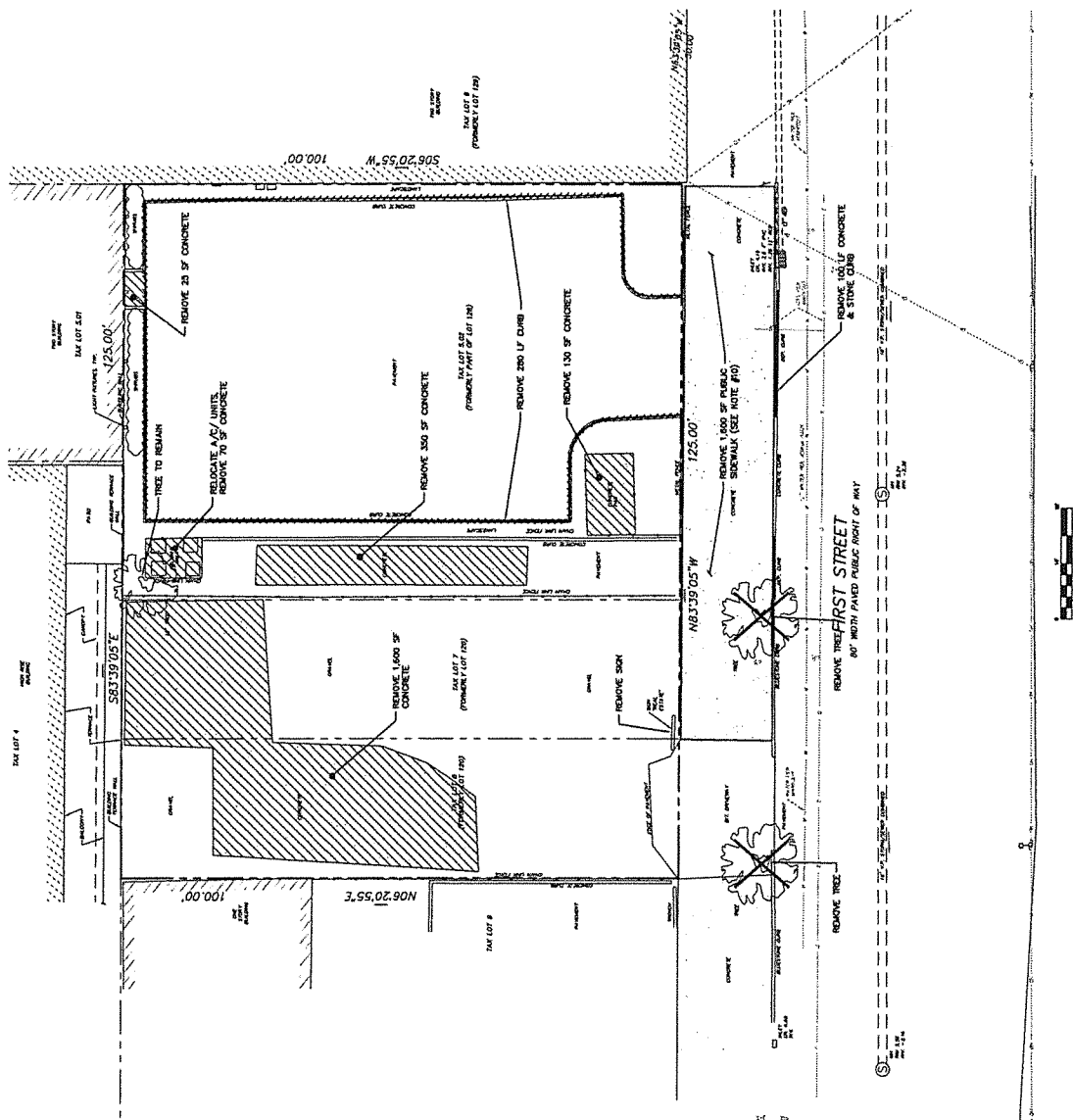
148 1st Street, Jersey City, NJ  
Block 11502. Lot 5.02, 7 & 8

For  
Shuster Development  
148 1st Street, JC, NJ

REVISIONS:	
Date	Notes
6/01/12	Rev. per Planning Dept.

DEMOLITION  
PLAN

DATE: 4.23.2012	DRAWN: J.V. CHECKED: M.C.	C101 2 of 7
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UNDESIGNED WHEELS AND UPDATES BY MARTIN RUSSELL  
4. 10/20/2012

140 Bay Street, Jersey City, NJ 07302  
201-533-5017 / 5339 fax  
224 N. High Street, Millville, NJ 08332  
856-293-5554 / 1571 fax

**CITYScope**  
CONSULTANT  
ENGINEERING & ARCHITECTURE  
25 Columbia Turnpike  
914-722-2009 fax 914-722-1571  
www.cityscope-nj.com

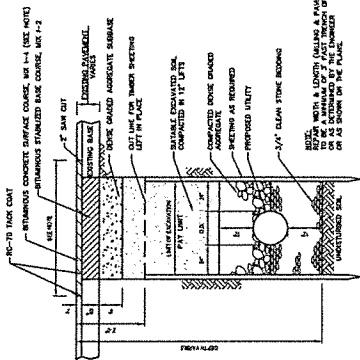
*Mark Chivvis*  
Mark Chivvis  
New Jersey License No. 2154

FIRST STREET  
DEVELOPMENT PROJECT

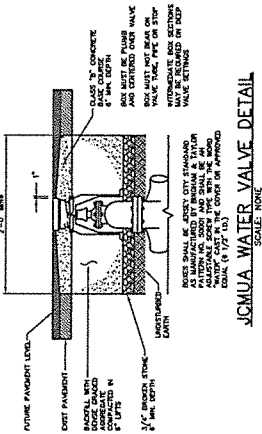
148 1st Street, Jersey City, NJ  
07304-1505, Lot 5.02.7 & 8  
For  
Shuster Development  
140 1st Street, NJ, NJ

REVISIONS:	Notes
D309	

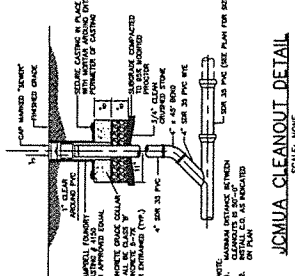
UTILITY DETAILS	C105
DATE: 4.23.2012	DRAWN: J.V.
CHECKED: M.C.	6 of 7



PIPE TRENCH DETAIL  
SCALE: NONE



JOMUA WATER VALVE DETAIL  
SCALE: NONE



JOMUA CLEANOUT DETAIL  
SCALE: NONE

GENERAL NOTES:  
1. THIS DRAWING SHALL NOT BE USED FOR CONSTRUCTION WITHOUT THE PROFESSIONAL ENGINEER'S BASED SEAL AND SIGNATURE AND THE WORDS ISSUED FOR CONSTRUCTION.  
2. ANY CHANGES OR MODIFICATIONS TO THE DRAWING SHALL BE MADE BY THE PROFESSIONAL ENGINEER'S BASED SEAL AND SIGNATURE AND THE WORDS ISSUED FOR CONSTRUCTION.

**JERSEY CITY MUNICIPAL UTILITIES AUTHORITY  
STANDARD REQUIREMENTS FOR NEW SANITARY AND  
STORM SEWERS AND SERVICE LATERALS**  
NOVEMBER 3, 2005

1. ALL NEW SANITARY AND STORM SEWERS SHALL BE CONSTRUCTED IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:  
2. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
3. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
4. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
5. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
6. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
7. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
8. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
9. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
10. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.

11. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
12. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
13. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
14. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
15. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
16. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
17. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
18. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
19. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
20. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.

21. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
22. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
23. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
24. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
25. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
26. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
27. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
28. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
29. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.  
30. THE MINIMUM COVER SHALL BE 18" FOR SANITARY SEWERS AND 24" FOR STORM SEWERS.

PIPE SIZE	THURST BLOCK SCHEDULE												
	TEE	BOARDS				45°				90°			
		L	D	L	D	L	D	L	D	L	D	L	D
6"	18"	15"	18"	16"	17"	18"	17"	18"	17"	18"	17"	18"	17"
8"	24"	18"	24"	18"	24"	18"	24"	18"	24"	18"	24"	18"	24"
12"	36"	24"	36"	24"	36"	24"	36"	24"	36"	24"	36"	24"	36"
16"	48"	30"	48"	30"	48"	30"	48"	30"	48"	30"	48"	30"	48"
20"	60"	36"	60"	36"	60"	36"	60"	36"	60"	36"	60"	36"	60"
24"	72"	42"	72"	42"	72"	42"	72"	42"	72"	42"	72"	42"	72"
30"	90"	54"	90"	54"	90"	54"	90"	54"	90"	54"	90"	54"	90"
36"	108"	66"	108"	66"	108"	66"	108"	66"	108"	66"	108"	66"	108"
42"	126"	78"	126"	78"	126"	78"	126"	78"	126"	78"	126"	78"	126"
48"	144"	90"	144"	90"	144"	90"	144"	90"	144"	90"	144"	90"	144"
54"	162"	102"	162"	102"	162"	102"	162"	102"	162"	102"	162"	102"	162"
60"	180"	114"	180"	114"	180"	114"	180"	114"	180"	114"	180"	114"	180"
66"	198"	126"	198"	126"	198"	126"	198"	126"	198"	126"	198"	126"	198"
72"	216"	138"	216"	138"	216"	138"	216"	138"	216"	138"	216"	138"	216"
78"	234"	150"	234"	150"	234"	150"	234"	150"	234"	150"	234"	150"	234"
84"	252"	162"	252"	162"	252"	162"	252"	162"	252"	162"	252"	162"	252"
90"	270"	174"	270"	174"	270"	174"	270"	174"	270"	174"	270"	174"	270"
96"	288"	186"	288"	186"	288"	186"	288"	186"	288"	186"	288"	186"	288"
102"	306"	198"	306"	198"	306"	198"	306"	198"	306"	198"	306"	198"	306"
108"	324"	210"	324"	210"	324"	210"	324"	210"	324"	210"	324"	210"	324"
114"	342"	222"	342"	222"	342"	222"	342"	222"	342"	222"	342"	222"	342"
120"	360"	234"	360"	234"	360"	234"	360"	234"	360"	234"	360"	234"	360"
126"	378"	246"	378"	246"	378"	246"	378"	246"	378"	246"	378"	246"	378"
132"	396"	258"	396"	258"	396"	258"	396"	258"	396"	258"	396"	258"	396"
138"	414"	270"	414"	270"	414"	270"	414"	270"	414"	270"	414"	270"	414"
144"	432"	282"	432"	282"	432"	282"	432"	282"	432"	282"	432"	282"	432"
150"	450"	294"	450"	294"	450"	294"	450"	294"	450"	294"	450"	294"	450"
156"	468"	306"	468"	306"	468"	306"	468"	306"	468"	306"	468"	306"	468"
162"	486"	318"	486"	318"	486"	318"	486"	318"	486"	318"	486"	318"	486"
168"	504"	330"	504"	330"	504"	330"	504"	330"	504"	330"	504"	330"	504"
174"	522"	342"	522"	342"	522"	342"	522"	342"	522"	342"	522"	342"	522"
180"	540"	354"	540"	354"	540"	354"	540"	354"	540"	354"	540"	354"	540"
186"	558"	366"	558"	366"	558"	366"	558"	366"	558"	366"	558"	366"	558"
192"	576"	378"	576"	378"	576"	378"	576"	378"	576"	378"	576"	378"	576"
198"	594"	390"	594"	390"	594"	390"	594"	390"	594"	390"	594"	390"	594"
204"	612"	402"	612"	402"	612"	402"	612"	402"	612"	402"	612"	402"	612"
210"	630"	414"	630"	414"	630"	414"	630"	414"	630"	414"	630"	414"	630"
216"	648"	426"	648"	426"	648"	426"	648"	426"	648"	426"	648"	426"	648"
222"	666"	438"	666"	438"	666"	438"	666"	438"	666"	438"	666"	438"	666"
228"	684"	450"	684"	450"	684"	450"	684"	450"	684"	450"	684"	450"	684"
234"	702"	462"	702"	462"	702"	462"	702"	462"	702"	462"	702"	462"	702"
240"	720"	474"	720"	474"	720"	474"	720"	474"	720"	474"	720"	474"	720"
246"	738"	486"	738"	486"	738"	486"	738"	486"	738"	486"	738"	486"	738"
252"	756"	498"	756"	498"	756"	498"	756"	498"	756"	498"	756"	498"	756"
258"	774"	510"	774"	510"	774"	510"	774"	510"	774"	510"	774"	510"	774"
264"	792"	522"	792"	522"	792"	522"	792"	522"	792"	522"	792"	522"	792"
270"	810"	534"	810"	534"	810"	534"	810"	534"	810"	534"	810"	534"	810"
276"	828"	546"	828"	546"	828"	546"	828"	546"	828"	546"	828"	546"	828"
282"	846"	558"	846"	558"	846"	558"	846"	558"	846"	558"	846"	558"	846"
288"	864"	570"	864"	570"	864"	570"	864"	570"	864"	570"	864"	570"	864"
294"	882"	582"	882"	582"	882"	582"	882"	582"	882"	582"	882"	582"	882"
300"	900"	594"	900"	594"	900"	594"	900"	594"	900"	594"	900"	594"	900"
306"	918"	606"	918"	606"	918"	606"	918"	606"	918"	606"	918"	606"	918"
312"	936"	618"	936"	618"	936"	618"	936"	618"	936"	618"	936"	618"	936"
318"	954"	630"	954"	630"	954"	630"	954"	630"	954"	630"	954"	630"	954"
324"	972"	642"	972"	642"	972"	642"	972"	642"	972"	642"	972"	642"	972"
330"	990"	654"	990"	654"	990"	654"	990"	654"	990"	654"	990"	654"	990"
336"	1008"	666"	1008"	666"	1008"	666"	1008"	666"	1008"	666"	1008"	666"	1008"
342"	1026"	678"	1026"	678"	1026"	678"	1026"	678"	1026"	678"	1026"	678"	1026"
348"	1044"	690"	1044"	690"	1044"	690"	1044"	690"	1044"	690"	1044"	690"	1044"
354"	1062"	702"	1062"	702"	1062"	702"	1062"	702"	1062"	702"	1062"	702"	1062"
360"	1080"	714"	1080"	714"	1080"	714"	1080"	714"	1080"	714"	1080"	714"	1080"
366"	1098"	726"	1098"	726"	1098"	726"	1098"	726"	1098"	726"	1098"	726"	1098"
372"	1116"	738"	1116"	738"	1116"	738"	1116"	738"	1116"	738"	1116"	738"	1116"
378"	1134"	750"	1134"	750"	1134"	750"	1134"	750"	1134"	750"	1134"	750"	1134"
384"	1152"	762"	1152"	762"	1152"	762"	1152"	762"	1152"	762"	1152"	762"	1152"
390"	1170"	774"	1170"	774"	1170"	774"	1170"	774"	1170"	774"	1170"	774"	1170"
396"	1188"	786"	1188"	786"	1188"	786"	1188"	786"	1188"	786"	1188"	786"	1188"
402"	1206"	798"	1206"	798"	1206"	798"	1206"	798"	1206"	798"	1206"	798"	1206"
408"	1224"	810"	1224"	810"	1224"	810"	1224"	810"	1224"	810"	1224"	810"	1224"
414"	1242"	822"	1242"	822"	1242"	822"	1242"	822"	1242"	822"	1242"	822"	1242"
420"	1260"	834"	1260"	834"	1260"	834"	1260"	834"	1260"	834"	1260"	834"	1260"
426"	1278"	846"	1278"	846"	1278"	846"	1278"	846"	1278"	846"	1278"	846"	1278"
432"	1296"	858"	1296"	858"	1296"	858"	1296"	858"	1296"	858"	1296"	858"	1296"
438"	1314"	870"	1314"	870"	1314"	870"	1314"	870"	1314"	870"	1314"	870"	1314"
444"	1332"	882"	1332"	882"	1332"	882"	1332"	882"	1332"	882"	1332"	882"	1332"
450"	1350"	894"	1350"	894"	1350"	894"	1350"	894"	1350"	894"	1350"	894"	1350"
456"	1368"	906"	1368"	906"	1368"	906"	1368"	906"	1368"	906"	1368"	906"	1368"
462"	1386"	918"	1386"	918"	1386"	918"	1386"	918"	1386"	918"	1386"	918"	1386"
468"	1404"	930"	1404"	930"	1404"	930"	1404"	930"	1404"	930"	1404"	930"	1404"
474"	1422"	942"	1422"	942"	1422"	942"	1422"	942"	1422"	942"	1422"	942"	1422"
480"	1440"	954"	1440"	954"	1440"	954"	1440"	954"	1440"	954"	1440"	954"	1440"
486"	1458"	966"	1458"	966"	1458"	966"	1458"	966"	1458"	966"	1458"	966"	1458"
492"	1476"	978"	1476"	978"	1476"	978"	1476"	978"	1476"	978"	1476"	978"	1476"
498"	1494"	990"	1494"	990"	1494"	990"	1494"	990"	1494"	990"	1494"	990"	1494"
504"	1512"	1002"	1512"	1002"	1512"	1002"	1512"	1002"	1512"	1002"	1512"	1002"	1512"
510"	1530"	1014"	1530"	1014"	1530"	1014"	1530"	1014"	1530"	1014"	1530"	1014"	1530"
516"	1548"	1026"	1548"	1026"	1548"	1026"	1548"	1026"	1548"	1026"	1548"	1026"	1548"
522"	1566"	1038"	1566"	1038"	1566"	1038"	1566"	1038"	1566"	1038"	1566"	1038"	1566"
528"	1584"	1050"	1584"	1050"	1584"	1050"	1584"	1050"	1584"	1050"	1584"	1050"	1584"
534"	1602"	1062"	1602"	1062"	1602"	1062"	1602"	1062"	1602"	1062"	1602"	1062"	1602"
540"	1620"	1074"	1620"	1074"	1620"	1074"	1620"	1074"	1620"	1074"	1620"	1074"	1620"
546"	1638"	1086"	1638"	1086"	1638"	1086"	1638"	1086"	1638"	1086"	1638"	1086"	1638"
552"	1656"	1098"	1656"	1098"	1656"	1098"	1656"	1098"	1656"	1098"	1656"	1098"	1656"
558"	1674"	1110"	1674"	1110"	1674"	1110"	1674"	1110"	1674"	1110"	1674"	1110"	1674"
564"	1692"	1122"	1692"	1122"	1692"	1122"	1692"	1122"	1692"	1122"	1692"	1122"	1692"
570"	1710"	1134"	1710"	1134"	1710"	1134"	1710"	1134"	1710"	1134"	1710"	1134"	1710"
576"	1728"	1146"	1728"	1146"	1728"	1146"	1728"	1146"	1728"	1146"	1728"	1146"	1728"
582"	1746"	1158"	1746"	1158"	1746"	1158"	1746"	1158"	1746"	1158"	1746"	1158"	1746"
588"	1764"	1170"	1764"	1170"	1764"	1170"	1764"	1170"	1764"	1170"	1764"	1170"	1764"
594"	1782"	1182"	1782"	1182"	1782"	1182"	1782"	1182"	1782"	1182"	1782"	1182"	1782"
600"	1800"	1194"	1800"	1194"	1800"	1194"	1800"	1194"	1800"	1194"	1800"	1194"	1800"
606"	1818"	1206"	1818"	1206"	1818"	1206"	1818"	1206"	1818"	1206"	1818"	1206"	18



# EXHIBIT E

## CERTIFICATE OF FORMATION

**EXHIBIT E**

**148 FIRST STREET URBAN RENEWAL, LLC**

**CERTIFICATE OF FORMATION**

**CONNELL FOLEY LLP**  
**ATTORNEYS AT LAW**

**HARBORSIDE FINANCIAL CENTER**  
**2510 PLAZA FIVE**  
**JERSEY CITY, NJ 07311**  
**(201) 521-1000**  
**FAX: (201) 521-0100**

**OTHER OFFICES**

85 LIVINGSTON AVENUE  
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(973) 535-0500  
FAX: (973) 535-9217

1500 MARKET STREET  
12TH FLOOR,  
EAST TOWER  
PHILADELPHIA, PA 19102  
(215) 246-3403  
FAX: (215) 665-5727

888 SEVENTH AVENUE  
9TH FLOOR  
NEW YORK, NY 10106  
(212) 307-3700  
FAX: (212) 262-0050

LIBERTY VIEW  
457 HADDONFIELD  
ROAD, SUITE 230  
CHERRY HILL, NJ 08002  
(856) 317-7100  
FAX: (856) 317-7117

THE ATRIUM, SUITE E  
309 MORRIS AVENUE  
SPRING LAKE, NJ 07762  
(732) 449-1440  
FAX: (732) 449-0934

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THOMAS M. SCUDERI\*  
JOSEPH M. MURPHY\*  
NANCY A. SKIDMORE\*  
CHRISTINE S. ORLANDO

\* ALSO ADMITTED IN NEW YORK

+ ALSO ADMITTED IN PENNSYLVANIA

- ONLY ADMITTED IN NEW YORK

PLEASE REPLY TO JERSEY CITY, NJ

Writer's Direct Dial: 201-521-1000

Writer's Email Address: NSkidmore@connellfoley.com

August 13, 2012

**VIA FEDERAL EXPRESS**

Ms. Karen A. Schwacha, Administrative Analyst  
State of New Jersey  
Department of Community Affairs  
Bureau of Home Owner Protection  
101 South Broad Street  
Trenton, New Jersey 08608

**Re: Certificate of Formation for 148 First Street Urban Renewal, LLC**

Dear Ms. Schwacha:

Please be advised that this firm represents 148 First Street Urban Renewal, LLC in connection with the above-captioned matter.

We enclose the following for your review:

1. Six (6) original duplicates of the Certificate of Formation for 148 First Street Urban Renewal, LLC, consistent with the requirements of N.J.S.A. 40A:20-1 et seq.;
2. One (1) original and one (1) copy of the DCA Disclosure Statement in connection with the above-captioned matter.

Kindly review the same and, if acceptable, please issue a Certificate of Compliance as soon as possible.

Ms. Karen A. Schwacha, Administrative Analyst  
August 13, 2012  
Page 2

If you have any questions, please feel free to contact this office.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Nancy A. Skidmore", with a long horizontal flourish extending to the right.

NANCY A. SKIDMORE, ESQ.  
For the Firm

NAS/rvr

Enclosures

CC: 148 First Street Urban Renewal, LLC (attn: Eyal Shuster)  
Charles J. Harrington, III, Esq.

**CERTIFICATE OF FORMATION  
OF  
148 FIRST STREET URBAN RENEWAL, LLC**

1. Name of Limited Liability Company: 148 FIRST STREET URBAN RENEWAL, LLC
2. The purpose for which this Limited Liability Company ("Company") is organized is:

To operate under P.L. 1991, c. 431 (C.40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvement in a single project, under such conditions as to use, ownership, management and control as regulated pursuant to P.L. 1991, c. 431 (C.40A:20-1 et seq.).

3. Date of formation: The date upon which this certificate of formation is filed in the office of the Department of Treasury of New Jersey.
4. Address of Principal Office: 148 First Street  
2<sup>nd</sup> Floor  
Jersey City, New Jersey 07302
5. Registered Agent Name & Address: Corporation Service Company  
830 Bear Tavern Road, Suite 305  
Trenton, New Jersey 08628
6. Dissolution date: Perpetual.

For so long as the Company is obligated under financial agreement with the City of Jersey City made pursuant to P.L. 1991, c. 431 (C.40A:20-1 et seq.), the Company shall engage in no business other than the ownership, operation, and management of the project described in the financial agreement with the City of Jersey City.

The Company has been organized to serve a public purpose and its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; and (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L.

1991, c. 431 (C.40A:20-1 et seq.). The Company shall be subject to regulation by the City of Jersey City, and to a limitation on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c. 431 (C.40A:20-1 et seq.).

The Company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof, undertaken by it under P.L. 1991, c. 431 (C.40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L. 1991, c. 431 (C.40A:20-1 et seq.) in the manner required by P.L. 1991, c. 431 (C.40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer, with the exception of any transfer to another urban renewal entity, as approved by the City of Jersey City, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the City of Jersey City.

The Company shall file annually with the governing body of the City of Jersey City a disclosure of the persons having an ownership interest in the Project and the extent of the ownership held by each.

Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that transfer, if greater than ten percent (10%), is disclosed to the City of Jersey City in the annual disclosure statement or in correspondence sent to the City of Jersey City in advance of the annual disclosure statement referred to above.

The Company is subject to the provisions of Section 18 of P.L. 1991, c. 431 (C.40A:20-18) respecting the powers of the City of Jersey City to alleviate financial difficulties of the urban renewal entity or to perform actions on behalf of the entity upon a determination of financial emergency.

Any housing units constructed or acquired by the Company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

The undersigned represent(s) that this filing complies with requirements detailed in N.J.S.A. 42:2B-1 et. seq. The undersigned hereby represent(s) that it is authorized to sign this certificate on behalf of the Company.

Dated: August 7<sup>th</sup>, 2012

By:

  
Eyal Shuster  
Authorized Representative

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS  
DIVISION OF CODES AND STANDARDS  
BUREAU OF HOMEOWNER PROTECTION  
PO BOX 805  
TRENTON, NEW JERSEY 08625-0805

URBAN RENEWAL ENTITIES  
DISCLOSURE INFORMATION

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609)292-2839. This form must be completed prior to Division approval of the entity. If you have any questions, please call Karen Schwacha at (609)984-5831.

Name of Urban Renewal Entity: 148 FIRST STREET URBAN RENEWAL, LLC

**SECTION 1: TYPE OF APPROVAL REQUESTED** (check one):

☒ Original certificate (of incorporation, limited partnership, formation, etc.)

☐ Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.

☐ Other (please specify) \_\_\_\_\_

**SECTION 2: PROJECT INFORMATION**

Project Name: 148 FIRST STREET MIXED-USE PROJECT

Project Street Address: 148 First Street, Jersey City, New Jersey

Project Block and Lot Number(s): Block 11502, Lots 5.02, 7 and 8

Municipality in which the Project is located: CITY OF JERSEY CITY

County in which the Project is located: HUDSON

**SECTION 3** (for project listed in **SECTION 2.**)

(Check one)

☐ 1. This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.

-next-

URBAN RENEWAL ENTITIES  
DISCLOSURE INFORMATION, PAGE 2

NAME OF URBAN RENEWAL ENTITY: 148 FIRST STREET URBAN RENEWAL, LLC.

**SECTION 3 (cont.)**

☐ 2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**

☐ 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.

NOTE: If you checked 3, complete **SECTION 5, 6, and 7.**

☒ 4. This project consists of mixed uses.

Specify type:

☐ Market rate and low and moderate income housing.

☐ Commercial and market rate housing.

☐ Commercial and low and moderate income housing.

☒ Other (please describe). Market rate housing, moderate/workforce affordable housing, and commercial ☐

NOTE: If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

**SECTION 4: REDEVELOPMENT PLAN INFORMATION**

Name of Municipal Redevelopment Agency: JERSEY CITY REDEVELOPMENT AGENCY

Citation of municipal ordinance adopting the redevelopment plan: POWERHOUSE ARTS DISTRICT REDEVELOPMENT PLAN AREA.

For housing projects, complete the following:

Specify type and number of units as applicable:

☐ Condominium units ☐

☒ Market rate rental - 114 units ☐

☐ Low and moderate income in mixed use projects ☐

☐ Senior citizen in mixed use projects ☐

☒ Other (please specify) - 6 units moderate/workforce affordable housing ☐

Total number of units ☐ 120 units ☐

**SECTION 5: PROJECT FUNDING SOURCES**

The low and moderate income housing project will be financed or insured by which of the following (check all applicable): N/A

☐ Private funds (Please specify) ☐

☐ State or Federal financing or insuring agencies (Please specify below) ☐

☐ Other (Please specify) ☐

-next-

URBAN RENEWAL ENTITIES  
DISCLOSURE INFORMATION, PAGE 3

NAME OF URBAN RENEWAL ENTITY: 148 FIRST STREET URBAN RENEWAL, LLC

**SECTION 5: PROJECT FUNDING SOURCES (cont.) N/A**

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

NJ Department of Community Affairs:

- ☐ Neighborhood Preservation Balanced Housing
- ☐ Downtown Living Initiative Program
- ☐ HOME – Housing Production Investment Fund
- ☐ HOME – Neighborhood Preservation
- ☐ HOME – Rental Rehabilitation

NJ Housing and Mortgage Finance Agency:

- ☐ NJ Community Housing Demo Program (developmental disabilities)
- ☐ NJ Supportive Housing Program
- ☐ Shared Residence Rental Housing Program (community residence)
- ☐ Transitional Housing Revolving Loan Program
- ☐ Multifamily Rental Housing Program
- ☐ Public Housing Construction and Permanent Loan Program
- ☐ Rental Housing Incentive Finance Fund
- ☐ 100% Mortgage Program
- ☐ Urban Home Ownership Recovery Program
- ☐ Low-Income Housing Tax Credit Allocation Program

NJ Redevelopment Authority:

- ☐ NJ Urban Site Acquisition Program

US Department of Housing and Urban Development (HUD)

- ☐ Section 811 Supportive Housing for Persons with Disabilities
- ☐ Section 202 Supportive Housing for the Elderly
- ☐ HOPE VI Grants
- ☐ HOME Program

US Department of Agriculture

- ☐ Rural Resources Administration (formerly Farmers' Home Administration)

☐ Other (Please specify) \_\_\_\_\_

List the information of the State or Federal financing or insuring agency's contact person:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Department/Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number \_\_\_\_\_

-next-

URBAN RENEWAL ENTITIES  
DISCLOSURE INFORMATION, PAGE 4

NAME OF URBAN RENEWAL ENTITY: 148 FIRST STREET URBAN RENEWAL, LLC

**SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP**

X 1. The project is new construction.

       2. An existing project is being rehabilitated.

If rehab, specify name of individual, entity, etc. who is the current owner of the project.  
\_\_\_\_\_

       3. Ownership of an existing project is being transferred to the new urban renewal entity.

If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred. \_\_\_\_\_

Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) \_\_\_\_\_

Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) \_\_\_\_\_

       4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no): NO

**SECTION 7: CERTIFICATION**

NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

**CERTIFICATION**

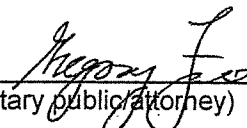
I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this  
day of (mo/day/year)

08/07/2012

X

  
(authorized individual's signature)

  
(notary public/attorney)

EYAL SHUSTER

(print name of authorized individual)

Rev. 6/2011

**GREGORY BLAKE FINE**  
Notary Public, State of New York  
No. 02F16224663  
Qualified in Nassau  
Commission Expires 07/06/14

# EXHIBIT F

## DISCLOSURE STATEMENT

## **EXHIBIT F**

### **148 FIRST STREET URBAN RENEWAL, LLC**

#### **Disclosure Statement**

NAME OF ENTITY: 148 First Street Urban Renewal, LLC  
148 First Street  
2<sup>nd</sup> Floor  
Jersey City, New Jersey 07302

LOCATION OF PROJECT: Block 11502, Lots 5.02, 07 and 08  
148 First Street,  
Jersey City, New Jersey 07302

PRINCIPAL PLACE OF BUSINESS: 148 First Street  
2<sup>nd</sup> Floor  
Jersey City, New Jersey 07302

NAME OF REGISTERED AGENT: Corporation Service Company

ADDRESS: 830 Bear Tavern Road, Suite 305  
Trenton, New Jersey 08628

NAME	ADDRESS	PERCENT OWNED
Eyal Shuster	155 2 <sup>nd</sup> Street Jersey City, NJ	40%

I CERTIFY THAT THE FOREGOING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT HAS PROVIDED THE NAMES OF ANY ENTITY OWNING A 10% OR GREATER INTEREST THEREIN)

I FURTHER CERTIFY THAT NO OFFICER OR EMPLOYEE OF THE CITY OF JERSEY CITY HAS ANY INTEREST, DIRECT OR INDIRECT, IN THIS ENTITY.

I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

Dated: 9/4/12

148 First Street Urban Renewal, LLC

By: 

Eyal Shuster, authorized member

# EXHIBIT G

## COMMENCEMENT CERTIFICATION

**EXHIBIT G**

**148 FIRST STREET URBAN RENEWAL, LLC**

**Commencement Certification**

The Applicant being the developer of the Project hereby certifies that:

1. Construction of the Project will not commence prior to the final approval and execution of a financial agreement between the City and the Applicant.
2. The foregoing statement made by me this 4<sup>th</sup> day of ~~Sept~~<sup>Sept</sup> 2012 is true to the best of my knowledge and I understand that the City of Jersey City is relying upon this Certification in considering the Application.

148 First Street Urban Renewal, LLC

By: \_\_\_\_\_

Eyal Shuster, authorized member

## EXHIBIT H

### COMPLIANCE WITH STATE AND LOCAL LAWS

**EXHIBIT H**

**148 FIRST STREET URBAN RENEWAL, LLC**

**COMPLIANCE WITH STATE AND LOCAL LAWS CERTIFICATION**

**Certification**

The Applicant being the developer of the Project hereby certifies that:

1. The Project meets the requirements of the laws of the State of New Jersey for consideration for a tax exemption because it is located in the Powerhouse Arts District Redevelopment Plan Area.

2. The Project complies with the Powerhouse Arts District Redevelopment Plan and the Master Plan for Jersey City, and the Project received preliminary and final site plan approval from the Planning Board of the City of Jersey City on June 19, 2012.

The foregoing statements made by me on this 4<sup>th</sup> day of September 2012 are true to the best of my knowledge and after it has made diligent inquiry to confirm the accuracy of all information.

148 First Street Urban Renewal, LLC

By: \_\_\_\_\_

Eyal Shuster, authorized member

# EXHIBIT I

## CERTIFICATION OF DILIGENT INQUIRY

**EXHIBIT I**

**148 FIRST STREET URBAN RENEWAL, LLC**

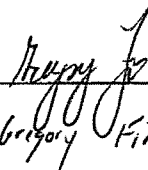
**DILIGENT INQUIRY CERTIFICATION**

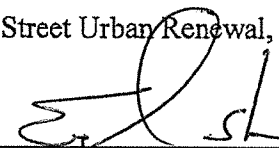
The Applicant being the developer of the Project hereby certifies to the City of Jersey City that all information contained in this Application is true and correct to the best of the Applicant's knowledge, after it has made diligent inquiry to confirm the accuracy of all information.

Dated: 9/4/12

Witnessed:

148 First Street Urban Renewal, LLC

By:   
Gregory Fine

By:   
Eyal Shuster, its authorized member

## EXHIBIT J

### PROPOSED FINANCIAL AGREEMENT

**EXHIBIT J**

**148 FIRST STREET URBAN RENEWAL, LLC**

**PROPOSED FINANCIAL AGREEMENT**

(SEE ATTACHED)

Long Term Tax Exemption

N.J.S.A. 40A:20-1, et seq.

(Market Rate Residential Rental)

Re: ~~Morris Boulevard~~  
~~Approximately 1.83 Acres~~  
~~Block 60, Lots 27A, 27C & 40~~  
~~(to be known as Block 60.15, Lot 1)~~  
~~Liberty Harbor North Redevelopment Plan~~

148 First Street  
Approx. .287 acres  
Block 11502, Lots 5.02,  
7 and 8  
Powerhouse Arts  
District Redevelopment Plan

### PREAMBLE

148 First Street

THIS FINANCIAL AGREEMENT, [Agreement] is made the 14<sup>th</sup> day of ~~September~~,  
~~2007~~ by and between ~~GRAND LIFT URBAN RENEWAL, LLC~~, an urban renewal entity formed  
and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as  
amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at ~~P.O. Box 6872,~~  
~~520 Route 22, Bridgewater, New Jersey 08807~~ [Entity], and the CITY OF JERSEY CITY, a  
Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street,  
Jersey City, New Jersey 07302 [City].

### RECITALS

#### WITNESSETH:

WHEREAS, the Entity is the Owner of certain property designated as ~~Block 60, Lots 27A,~~  
~~27C & 40 (to be known as Block 60.15, Lot 1),~~ more commonly known by the street address of  
~~Morris Boulevard~~, and more particularly described by the metes and bounds description set forth as  
Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the ~~Liberty Harbor North~~  
Redevelopment Plan Area; and

WHEREAS, the Entity plans to construct a building that will be ~~eight (8) stories on the west~~,  
~~side of the building and sixteen (16) stories and a penthouse on the east side of the building,~~

~~containing approximately four hundred ninety eight (498) residential rental units with approximately~~  
~~twenty six thousand five hundred fifty four (26,554) square feet of ground floor retail space and up to~~  
~~five hundred twenty five (525) on site parking spaces, [Project]; and~~  
one hundred fourteen (114) market rate residential units, approx.  
six (6) moderate or workforce affordable housing units, and approximately two thousand four  
hundred fifty eight (2,458) square feet of ground level retail/gallery/restaurant space.

WHEREAS, on ~~July 9, 2007~~ the Entity filed an Application with the City for a long term tax exemption for the Project; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only ~~\$14,562~~, <sup>\$42,386</sup> whereas, the Annual Service charge as estimated, and will generate revenue to the City of approximately ~~\$1,536,060~~, <sup>\$313,091 in years 1-5 and \$338,774 in years 6-10 of the tax abatement</sup>
2. the Entity shall ~~pay the City the sum of \$786,831, as an affordable housing contribution pursuant to Ordinance 03-112;~~ <sup>provide 6 units of affordable moderate/workforce housing on site and provide 6 units of affordable moderate/workforce housing off-site or make a contribution in lieu thereof</sup>
3. it is expected that the Project will create approximately ~~165~~ <sup>90</sup> jobs during construction and ~~16~~ <sup>9</sup> new permanent jobs;
4. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new business, which cater to the new residents;
5. the Project will further the redevelopment objectives of the ~~Liberty Harbor North Redevelopment Plan;~~ <sup>Powderhouse Arts District Redevelopment Plan</sup>
6. the City's impact analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and
2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will insure the likelihood of the success of the Project and insure that it will have a positive impact on the surrounding area; and

WHEREAS, by the adoption of Ordinance ~~07-148~~ on ~~August 22, 2007~~, the Municipal Council approved the above findings and the tax exemption application and authorized the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

## **ARTICLE I - GENERAL PROVISIONS**

### **Section 1.1 Governing Law**

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, Ordinance 02-075, and Ordinance ~~07-148~~, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

### **Section 1.2 General Definitions**

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Allowable Net Profit- The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).
- ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.
- iii. Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, health club user fees or other services (such as lease premiums for views, fireplaces, etc.). No deductions will be

allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party, except for customary operating expenses of commercial tenants such as utilities, insurance and taxes (including payments in lieu of taxes) which shall be deducted from Gross Revenue based on the actual amount of such costs incurred.

iv. Annual Service Charge - The amount the Entity has agreed to pay the City for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12.

v. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vi. Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vii. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the project for a period equal to the term of this agreement.

viii. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

ix. Entity - The term Entity within this Agreement shall mean ~~Grand Linn~~ <sup>148 First Street</sup> Urban Renewal, LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also

include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

x. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance ~~07-148~~, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xv. Lease Up Period - Shall begin on the date of the issuance of the first Certificate of Occupancy (whether permanent or temporary) for any floor or any portion thereof. During the Lease Up Period, the Entity shall pay the sum equal to the estimated Annual Service Charge divided by the number of Units divided by 12 for each Unit for each month after that Unit has received a Certificate of Occupancy, whether the floor is actually occupied or generated revenue. The payment shall begin on the 1<sup>st</sup> day of the month following the issuance of the Certificate of Occupancy for that Floor. The Lease Up Period for the Project expires 18 months after the issuance of the first Certificate of Occupancy for any floor.

xvi. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the greater of:

(a) the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, or in the case of tax

exempt property, the projected tax levy based upon the assessed value for the year in which the application is filed, which amount the parties agree is <sup>\$42,386</sup>~~\$14,562~~; or

(b) the sum of <sup>8313,091</sup>~~\$1,536,060~~ per year, which sum will be prorated only in the years in which Substantial Completion occurs and this Agreement terminates.

The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xvii. Net Profit - The Gross Revenues of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xviii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xix. Substantial Completion - The determination by the City that the Project, in whole or

in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

xx. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xxi. Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. The Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

## ARTICLE II - APPROVAL

### **Section 2.1 Approval of Tax Exemption**

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: ~~Block 60, Lots 27A, 27C & 40 (to be known as Block 60-15, Lot 1)~~ <sup>Block 11502, Lots 5, 02, 7 and 8</sup> ~~148 First Street~~, more commonly known by the street address of ~~Morris Boulevard~~, and described by metes and bounds in Exhibit 1 attached hereto.

### **Section 2.2 Approval of Entity**

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

### **Section 2.3 Improvements to be Constructed**

Entity represents that it will construct a building that will be <sup>twelve (12) stories,</sup> ~~eight (8) stories on the west side~~ containing approximately one hundred <sup>fourteen (14)</sup> market rate

*residential rental units, approximately six (6) moderate/workforce affordable*  
~~of the building and sixteen (16) stories and a penthouse on the east side of the building, containing housing units, and approximately two thousand four hundred fifty eight (2,458) square feet of ground level retail/gallery/restaurant space~~  
~~approximately four hundred ninety eight (498) residential rental units with approximately twenty six thousand five hundred fifty four (26,554) square feet of ground floor retail space and up to five hundred twenty five (525) on-site parking spaces, all of which is specifically described in the Application attached hereto as Exhibit 3.~~

#### **Section 2.4 Construction Schedule**

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

#### **Section 2.5 Ownership, Management and Control**

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

The Entity represents that it is the owner of the Land upon which the project is to be constructed and will manage and control the Project. The City acknowledges that the Entity may enter into a management agreement for the Project and will pay a management fee, which fee was disclosed in its tax exemption application. The City acknowledges that the Entity may enter into future management agreements so long as such agreements are not used to reduce the City's economic benefits under this Agreement and the management fees to be paid are comparable to those disclosed in the application.

#### **Section 2.6 Financial Plan**

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

#### **Section 2.7 Statement of Rental Schedules and Lease Terms**

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7.

### **ARTICLE III - DURATION OF AGREEMENT**

### Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 15 years from the date of the adoption of Ordinance ~~07-148~~ on ~~August 22, 2007~~, which approved the tax exemption or 10 years from the date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

## ARTICLE IV - ANNUAL SERVICE CHARGE

### Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make the following payments to the City:

(i) City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to ~~10% of the Annual Gross Revenue~~ <sup>12% of Annual Gross Revenue for the \*</sup>. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue which shall not be less than the its estimate of Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. The Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Notwithstanding anything herein to the contrary, upon Substantial Completion, the Minimum Annual Service Charge shall be prorated in accordance with Section 1.2(xvi)(b) and the Lease Up Period.

(ii) County Service Charge: an amount equal to 5% of the Annual Service Charge upon receipt of that charge, for remittance to the County by the City.

### Section 4.2 Staged Adjustments

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption

*\* first 5 years of the abatement and 13% of Annual Gross Revenue for the final 5 years of the abatement for the market rate units, and 8% of Annual Gross Revenue for the 10 year term of the abatement for the affordable moderate/workforce housing units.*

in accordance with N.J.S.A. 40A:20-12(b) as follows:

- i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 6th year, the Annual Service Charge shall be <sup>12%</sup>~~10%~~ of Annual Gross Revenue; \*
- ii. Stage Two: Beginning on the 1<sup>st</sup> day of the 7th year following Substantial Completion until the last day of the 7<sup>th</sup> year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the value of the land and Improvements;
- iii. Stage Three: Beginning on the 1st day of the 8<sup>th</sup> year following the Substantial Completion until the last day of the 8<sup>th</sup> year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the value of the land and Improvements;
- iv. Stage Four: Beginning on the 1st day of the 9<sup>th</sup> year following Substantial Completion until the last day of the 9<sup>th</sup> year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the value of the land and Improvements.
- v. Final Stage: Beginning on the 1st day of the 10<sup>th</sup> year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the value of the land and Improvements.

#### Section 4.3 Credits

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that quarter. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

#### Section 4.4 Quarterly Installments

\*For the first 5 years of the abatement and 13% of Annual Gross Revenue for the 6<sup>th</sup> year of the abatement for the market rate units, and 8% of Annual Gross Revenue for the affordable moderate/workforce housing units

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

#### **Section 4.5 Administrative Fee**

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event that the Entity fails to timely pay the Administrative Fee, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

#### ~~**Section 4.6 Affordable Housing Contribution and Remedies**~~

~~A. **Contribution.** The Entity shall pay the City the sum of \$786,831 or \$1500 x 498 units plus \$1.50 per square foot x 26,554 for the retail space as a contribution. The sum shall be due and payable as follows:~~

- ~~i. 1/3 on or before the effective adoption date of the ordinance approving the tax exemption, that is the effective date of the executed Financial Agreement;~~
- ~~ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Financial Agreement; and~~
- ~~iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.~~

~~B. **Remedies.** In the event that the Entity fails to timely pay the contribution, the amount unpaid shall be added to the service charge and shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.~~

#### **Section 4.7 Material Conditions**

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, ~~Affordable Housing Contributions~~, and any interest thereon, are Material Conditions of this

Agreement.

## **ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT**

### **Section 5.1 Project Employment and Contracting Agreement**

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8. ~~In addition, the Entity shall execute a Project Labor Agreement as required by Ordinance 07-123 as it exists or as it may be amended from time to time.~~

## **ARTICLE VI - CERTIFICATE OF OCCUPANCY**

### **Section 6.1 Certificate of Occupancy**

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

### **Section 6.2 Filing of Certificate of Occupancy**

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

## **ARTICLE VII - ANNUAL REPORTS**

### **Section 7.1 Accounting System**

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

### **Section 7.2 Periodic Reports**

A. An Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the

Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

### **Section 7.3 Inspection/Audit**

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity.

All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

## **ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES**

### **Section 8.1 Limitation of Profits and Reserves**

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

### **Section 8.2 Annual Payment of Excess Net Profit**

In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within one hundred and twenty (120) days after the end of such fiscal year, shall pay such excess Net Profits to the City as an additional Annual Service Charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xxi) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the Annual Service Charge.

### **Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale**

The date of Termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the excess Net Profit, if any.

## **ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION**

### **Section 9.1 Approval**

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax

exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement is fully assumed by the new Entity, 5) the Entity shall pay the City a transfer fee equal to 2% of the then current Annual Service Charge as required by N.J.S.A. 40A:20-10d.

#### **Section 9.2 Fee**

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

### **ARTICLE X - COMPLIANCE**

#### **Section 10.1 Operation**

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. The operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

#### **Section 10.2 Disclosure of Lobbyist Representative**

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

### **ARTICLE XI - DEFAULT**

#### **Section 11.1 Default**

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

### **Section 11.2 Cure Upon Default**

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Section 12.1 herein.

### **Section 11.3 Remedies Upon Default**

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, ~~Affordable Housing Contribution~~, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, ~~Affordable Housing Contribution~~ or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, ~~Affordable Housing Contribution~~, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for

the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

## **ARTICLE XII- TERMINATION**

### **Section 12.1 Termination Upon Default of the Entity**

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

### **Section 12.2 Voluntary Termination by the Entity**

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

### **Section 12.3 Final Accounting**

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

### **Section 12.4 Conventional Taxes**

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

### **ARTICLE XIII - DISPUTE RESOLUTION**

#### **Section 13.1 Arbitration**

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.7 as Material Conditions.

### **ARTICLE XIV - WAIVER**

#### **Section 14.1 Waiver**

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

### **ARTICLE XV - INDEMNIFICATION**

#### **Section 15.1 Defined**

It is understood and agreed that in the event the City shall be named as party defendant in any action alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend

the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

## ARTICLE XVI- NOTICE

### **Section 16.1 Certified Mail**

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

### **Section 16.2 Sent by City**

When sent by the City to the Entity the notice shall be addressed to:

~~Grand LHM Urban Renewal, LLC~~ 148 First Street Urban Renewal, LLC  
~~P.O. Box 6872~~ 148 First Street  
~~520 Route 22~~ 2nd Floor  
~~Bridgewater, New Jersey 08807~~ Jersey City, NJ 07302  
~~Att: David Kahan, Esq.~~ Att: Eyal Shuster

and

Connell Foley, LLP  
Harborside Financial Center  
2510 Plaza Five  
Jersey City, N.J. 07311-4029  
Att: James C. McCann, Esq.

Charles Harrington, Esq.

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

### **Section 16.3 Sent by Entity**

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk  
City Hall  
280 Grove Street  
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to

the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

## **ARTICLE XVII-SEVERABILITY**

### **Section 17.1 Severability**

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

## **ARTICLE XVIII - MISCELLANEOUS**

### **Section 18.1 Construction**

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

### **Section 18.2 Conflicts**

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

### **Section 18.3 Oral Representations**

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

### **Section 18.4 Entire Document**

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

### **Section 18.5 Good Faith**

In their dealings with each other, utmost good faith is required from the Entity and the City.

## **ARTICLE XIX - EXHIBITS**

### **Section 19 Exhibits**

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

Murray Kushner

148 First Street Urban Renewal, LLC

~~GRAND LIND URBAN RENEWAL, LLC~~

~~By: S/K Liberty Harbor North Associates, LLC~~

~~By: Majic Investment Corp., Manager~~

By: Eyal Shustar

~~Murray Kushner, President~~

Eyal Shustar, authorized member

~~By: Applied Liberty Harbor North, LLC~~

~~By: Ironstate Holdings, LLC, Manager~~

By: David Barry

~~David Barry, Manager~~

ATTEST:

Robert Byrne  
ROBERT BYRNE  
CITY CLERK

CITY OF JERSEY CITY

Brian O'Reilly  
BRIAN O'REILLY  
BUSINESS ADMINISTRATOR

## EXHIBIT K

### PROPOSED PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

**EXHIBIT K**

**148 FIRST STREET URBAN RENEWAL, LLC**

**PROPOSED PROJECT EMPLOYMENT & CONTRACTING AGREEMENT**

(SEE ATTACHED)

## PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the 23<sup>rd</sup> day of ~~September, 2011~~, between the **CITY OF JERSEY CITY** [City] and ~~ST. BRIDGET'S SENIOR~~  
~~RESIDENCE URBAN RENEWAL, LLC~~, having its principal office at ~~e/o RCG Development~~  
~~Group, LLC, 26 Park Street, Montclair, NJ 07042~~. Recipient agrees as follows:

### I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Construction Contract" means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
3. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 1 Journal Square Plaza, 2<sup>nd</sup> Floor, Jersey City, NJ 07306, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
6. "Employment" means any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. "Local Business" means a bona fide business located in Jersey City.
8. Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.
9. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined as follows:

- a) "African-American" means a person having origins in any of the black racial groups of Africa.
  - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
  - ~~c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.~~
  - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
- 10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
  - 11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
  - 12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
  - 13. "Project or Project Site" means the specific work location or locations specified in the contract.
  - 14. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
  - 15. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
  - 16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
  - 17. "Recipient" means any individual, partnership, association, organization, corporation or

other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.

18. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.

19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.

20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.

21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

## **II. Purpose:**

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

## **III. Good Faith Goals:**

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.

2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal

of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

#### **IV. Recipient Designee:**

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix AZ

#### **V. Term:**

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City/Council adopted Ordinance ~~11-086~~ approving the tax exemption and terminate the earlier of <sup>10</sup>/~~35~~ years from the date of the adoption of that Ordinance or <sup>15</sup>/~~30~~ years from the date of Substantial Completion of the Project.

#### **VI. Good Faith Defined:**

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

##### **A. Initial Manning Report:**

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and

Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.
- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Jerramiah T. Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

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J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

**2. Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.

- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident,

minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

### **3. Business Contracting**

Good Faith shall mean compliance with all of the following conditions:

1) **Solicitation of Businesses:**

- a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.
- b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.
  - i) **Semi-Annual Purchasing Reports:** The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.
  - ii) **No Utilization of Local and Local Minority Vendors As Conduits For**

## Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

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### 4. **Summation of Documentation Needed For Compliance with Agreement**

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Example of Initial Manning Report (Appendix B)
4. Letter Of Acceptance of Initial Manning Report (Appendix C)
5. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)
6. Documentation of Bid Submission (Appendix D2)
7. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
8. Union Statement of Best Efforts (Appendix F)
9. Example of Monthly Manning Report (Appendix G)
10. Example of Monthly Certified Payroll Report (Appendix H)
11. Example of Bi-Weekly Site Visit Report (Appendix I)
12. Example of Documentation of Hiring Plan (Appendix J)
13. Example of Semi-Annual Employment Report (Appendix K)
14. Example of Semi-Annual Purchasing Report (Appendix L)

### VII. **Notices of Violation:**

1. **Advisory Notice:** The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. **Violation Notice:** If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
3. **Correcting the Violation:** Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and

so advises the City in writing, subject to confirmation by the City.

4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.
5. Meetings Concerning Violations: The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. Interviews Relating to Violations: The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. Determination of Violation: The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

#### **VIII. Liquidated Damages/Interest:**

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file Initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracting): an amount equal to a Five (5%) percent increase in the estimated annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): an amount equal to Three (3%) percent increase in the estimated annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Two (2%) percent increase in the estimated annual payment in lieu of taxes.

- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Five (5%) percent increase in the estimated annual payment in lieu of taxes. Interest shall be charged on any damages at the legal rate of interest as calculated by the Tax Collector.
- e) the late payment of any liquidated sum shall accrue interest at the rate of 8%.

#### IX. Commercial Tenants at the Project Site:

1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

#### X. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

*148 First Street Urban Renewal, LLC*

~~St. Bridget's Senior Residence Urban Renewal, LLC~~

~~c/o RCG Development Group, LLC~~

~~26 Park Street~~

~~Montclair, NJ 07042~~

~~Attn: Christopher Garlin~~

and

Connell Foley, LLP

Harborside Financial Center

2510 Plaza Five

Jersey City, New Jersey 07311

~~Attn: Nancy Skidmore, Esq.~~

*148 First Street  
2nd Floor  
Jersey City, NJ 07302  
Attn: Eyal Shuster*

*Charles Harrington, Esq.*

2. When sent by the Recipient to the City, it shall be addressed to:

Project Employment & Contracting Monitor  
Department of Administration  
Division of Economic Opportunity  
1 Journal Square Plaza  
2<sup>nd</sup> Floor  
Jersey City, New Jersey 07306

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

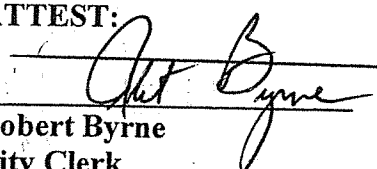
**XI. Adoption, Approval, Modification:**

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

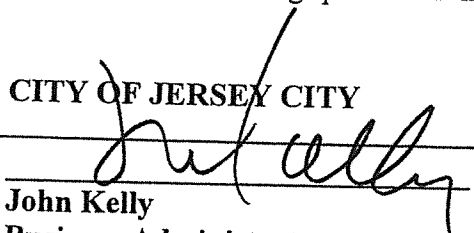
**XII. Controlling Regulations and Laws:**

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

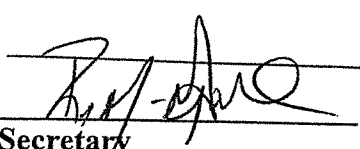
ATTEST:

  
Robert Byrne  
City Clerk

CITY OF JERSEY CITY

  
John Kelly  
Business Administrator

ATTEST:

  
Secretary

*148 First Street Urban Renewal, LLC*  
~~ST. BRIDGET'S SENIOR RESIDENCE~~  
~~URBAN RENEWAL, LLC~~

  
Authorized Member